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TAGS: [PGOV](#) [PREL](#) [ECON](#) [SOCI](#) [PINR](#) [EUN](#) [DA](#)  
SUBJECT: DANISH PM RESHUFFLES CABINET, BACKS REFERENDUM ON  
EU OPT-OUTS

Classified By: DCM Sandra Kaiser, reasons 1.4b,d

¶1. (C) Summary: Ten days after leading his center-right government to a third term, Danish Prime Minister Anders Fogh Rasmussen November 23 announced changes to his cabinet that will broaden his coalition but stop short of the generational shift in leadership that many had anticipated. Rasmussen kept the key ministries of defense, foreign affairs and justice intact, reconfirming (largely pro-U.S.) Danish policies in those areas. Prior to the cabinet reshuffle, the prime minister released his government's platform for the next term, emphasizing consensus and including a pledge for a referendum on Denmark's EU opt-outs on defense, justice and home affairs, and the euro. Rasmussen's moves to secure backing beyond his narrow parliamentary majority have so far been generally well-received. End summary.

¶2. (SBU) PM Rasmussen put rest to speculation of a major cabinet shakeup (the foreign, justice and deputy PM slots had been rumored to be in the mix) by putting forward relatively modest changes to his government team. Outgoing Environment Minister Connie Hedegaard has been elevated to head a new "super-ministry" as climate and energy minister, with her environment post going to Liberal Party spokesman Troels Lund Poulsen. Karen Jespersen was named as welfare minister, another new post and one aimed at reassuring voters concerned about the government's commitment to public services. Rasmussen's heir apparent as Liberal party leader, outgoing Interior and Health Minister Lars Lokke Rasmussen (no relation), will swap portfolios with outgoing Finance Minister Jakob Axel Nielsen and outgoing Family and Consumer Affairs Minister Carina Christensen will be transport minister.

¶3. (C) The one surprise appointment was Birthe Ronn Hornbech as integration minister. The 64-year-old Hornbech is known as an uncompromising, law-and-order type (she has a long career in the Danish police and has served as the Liberal Party's justice spokesman since 1994), albeit with a strong civil libertarian streak, and it is uncertain how well she will get on with Denmark's immigrant community. Hornbech favors easing restrictions on asylum seekers, however, and her appointment should be viewed positively by supporters of asylum policy reform in the New Alliance and Social Liberal parties the prime minister is seeking to court. Post intends to engage Hornbech early to sustain the momentum we have achieved together with the integration ministry on Muslim outreach and community building.

¶4. (C) The previous day, the prime minister released his government's program for the new term, following days of negotiations and discussions with government and opposition party leaders. The platform outlines an agenda designed to appeal beyond the government's coalition, emphasizing

dialogue and consensus in addressing critical subjects such as welfare, tax reform and asylum policy. Rasmussen proposed, for example, a special tax commission to develop proposals for reducing the income tax burden (suggested by opposition leader Helle Thorning-Schmidt during the campaign), and reaffirmed goals for increasing use of alternative energy, raising development aid levels and improving health care.

¶5. (C) The prime minister also indicated the time has come for Denmark to re-evaluate its 1993 "opt-outs" from EU policy on security, justice and home affairs, and the euro, and pledged to hold a referendum on the issue sometime in this term. Calling the exemptions a "hindrance" to Denmark, Rasmussen favors terminating the opt-outs. Public opinion polls show support for the euro has increased significantly since Danish voters narrowly rejected the adoption of the common currency in 2000. Elimination of the other opt-outs also enjoys broad support. Rasmussen declined to be pinned down on a date for the referendum, but many observers believe that he will hold the vote soon after the EU treaty has been ratified (offering voters one EU referendum in place of another).

¶6. (C) Comment: The prime minister continues to signal his determination to seek broad backing for his government, in recognition of his razor-thin majority and in keeping with Danish political tradition. His initial moves have been welcomed cautiously by the potential allies in New Alliance and within the opposition, but achieving consensus on concrete issues -- garnering the support of center-left voters on asylum or foreign aid without alienating the Danish People's Party, for example -- will be considerably harder.  
CAIN